



City Council Minutes

Special Meeting 9-05-91

City of Naples

City Council Chambers
735 Eighth Street South
Naples, Florida 33940

-SUBJECT-	ORD. NO.	RES. NO.	PAGE
<u>RESOLUTIONS:</u>			
-ACCEPT tentative millage rate for 1991		91-6452	8
-APPROVE tentative budget for the fiscal year 1991-92		91-6453	8
<u>ORDINANCES:</u>			
-APPROVE the 1991 tax levy and millage rate for the purpose of providing sufficient funds for the general fund operations	91-		9
-APPROVE the budget and appropriate funds for the fiscal year 1991-92	91-		9

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COUNCIL MEMBERS	M O T I O N	S E C O N D	VOTE		A B S E N T
			Y E S	N O	

City Manager Woodruff said that when the new management team had come together in June, it set forth one clear goal - honesty in government. Any time there is talk about taxes, he commented, it is not pleasant, however, it has been staff's goal to put the City back on a sound financial footing, and the tax increase was something that had to be faced.

Using visual aides, Dr. Woodruff explained that the City must operate on a balanced budget. Reviewing previous years' budgets, he said, it was ascertained that revenue estimates were made liberally and there were shortfalls. The City Manager stated, "Our purpose is service. Every department in City government has to be a service department. Our goal is to try our best to become more efficient. We recognize that government does have waste. We want to eliminate as much as possible." Dr. Woodruff went on to explain that methods in which to eliminate waste include privatizing in as many areas as possible, efficiency through better management, and distribution of the tax levy.

The City Manager told the assemblage that out of every \$1.00 of taxes paid in Naples, \$.07 stays with the City government. That is not intended to relay the message that citizens should not be concerned about taxes, he emphasized, but to point out that a tremendous amount of taxes do not stay in the City although the City provides front-line services.

Dr. Woodruff reminded Council that all three of the City's labor contracts would come up for renewal this year. Also, in the past, all Self-Insurance Fund premiums came out of the Utility Fund regardless of which department the employees worked in. In staff's opinion, he said, the General Fund should pay its share of the insurance. The City Manager informed Council that abatements would be eliminated in the future as well.

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(CORRECTED 10-14-91)

COUNCIL
MEMBERS

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		Y E S	N O	

City Manager Woodruff asked the citizens to give the City the opportunity to restore faith in the way its government is run. "I can't promise you there will be no tax increase next year," said Dr. Woodruff, however, he promised that the new management team would do all in its power to negotiate reasonable labor contracts, meet the commitments of the past, and use honest budgeting policy.

Finance Director Bill Harrison reviewed the Budget Summary and the changes which had been discussed during the budget meetings. He told Council that in the future staff would be publishing a one-year CIP budget.

City Manager Woodruff asked Council to note that all monies for future studies had been eliminated. Tax equity would be reviewed closely, he added, and it was likely that after staff does the initial work, it may be necessary to hire a C.P.A. to document and continue that work. Funds for that purpose would have to come out of the Contingency Fund, said Dr. Woodruff, so for that reason and because of recommendations of the Legal Services Committee, staff was recommending that a 1.20 millage rate be approved.

Mayor Anderson commended staff and management and drew attention to the fact that so many members of the staff had been present at the budget meetings to show their support, as it was uncompensated time.

Mr. John A. Smith, 15 11th Avenue South, thanked the City Manager for his excellent presentation and said that he appreciated the comment that the citizens could expect honest government. Also appreciated, said Mr. Smith, was the manner in which the budget was presented this year. Staff had done a good job, he added, and had given Council the opportunity to review the material, and now it was "time for the citizens to do a

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to see that some things of concern had been brought to the public's attention. He reminded Council that it had taken about eight years to "get into the mess we were in" and it would take a while to get out. There may be citizens who would be happy to pay higher taxes, commented Mr. Smith, but there are many Naples residents on fixed incomes and resources are not inexhaustible.

In closing, Mr. Smith said, "It's reported that the power to tax is the power to destroy." He urged staff, Council, and those citizens present to review the budget items and if a service rendered is not a service mandated and needed at present, he would suggest cutting it from the budget. Many homes in the high-rent areas of Naples are currently for sale, noted Mr. Smith, which might be an indication that there are problems here. In summary, Mr. Smith said that he appreciated the manner in which the budget process was handled.

Mrs. Sue B. Smith, 11 15th Avenue South, addressed Council, also praising the City Manager for presenting a "smorgasbord of opportunities for this City Council to determine what they want to do." She also praised those "good" City employees, saying that many of the most loyal employees are those who are paid the least. Mrs. Smith commented that two of the present Council Members had been "champions of the people's cause", however, Council had been the cause of what had happened in Naples. She referred to Council's past "indiscretions" including giving former City Manager Frank Jones a three-month contract but not requiring his presence at City Hall. Mrs. Smith noted that the Utilities Department should have earned money for the City yet there has been discussion about raising utility rates again.

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Mrs. Smith continued, "You can't keep fooling yourselves and act as though nothing is wrong. We indeed must cut back in those things that are unessential. I'd like to say this town, with much sacrifice, was pilfered to become something where our resources were allowed to go down. Good employees were allowed to suffer great confusion. We've been very gracious to this government and now you ask us to bite the bullet. There is quite a large contingency of us saying cut out everything but basic services."

Mr. Fred Tarrant, Jr. of 175 Third Street South told City Manager Woodruff "You are surely not my enemy" and quoted Leo Tolstoy in "War and Peace" - "Things that happen in government are the fortuitous outcome of innumerable human errors." Mr. Tarrant said that in his opinion that is what happened in the City. He commended the Council, City Manager, and staff for their hard work and a very interesting, clear budget presentation. Mr. Tarrant said that a point in time had been reached where Naples citizens, while appreciative of all the good work and effort, need no increase in the budget. What is needed, he continued, is to "get serious and cut and reduce some services if you must," and he asked Council to set the example for Collier County and the School Board. Mr. Tarrant ended by asking Council to consider the "Save Your Homes" effort.

Mr. Jim McGrath, 650 Banyan Circle, said that the City had been guilty of "many infractions of common sense." He commented that the City now had 528 employees and taxes had gone up tremendously, yet there was no more service now than in previous years. Mr. McGrath said, "Remember this: All boats rise with the tide and also sink with the tide. Let's be sure we don't sink this beautiful City."

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Next to address Council was Ms. Fern Aitchison of 613 14th Avenue South. She spoke in defense of the City, pointing out that Dr. Woodruff had inherited a number of problems and was trying to correct them. Ms. Aitchinson said that it was hard to criticize staff and Council since they were doing the best they could. She emphasized the fact that the City received very little from the County Tax Collector.

Mr. George Beasley, 110 16th Avenue South, told Council that due to increased taxes and assessed value his taxes had risen from approximately \$1,300 in 1989 to \$2,600 this year. However, he added, if his property were to sell today, the price of his home would not be more than during the 1988-89 season. Mr. Beasley said that he would be addressing the Property Appraiser's Office. He mentioned that he had served as an elected official for sixteen years, and appreciated Council's time.

Mr. Ron Pennington of 289 Springline Drive recalled last year's budget process when the budget was cut by only approximately \$10,000 after a lengthy review. It was very refreshing, he said, to realize that a totally different situation exists now, and he added his commendations to the Manager and Council. Mr. Pennington brought attention to the fact that about nine months ago, former City Manager Jones had told the public that a dollar savings would be realized by going to a different billing system. He suggested that the City return to using the card system of billing, explaining that it cost \$.18 to mail each presorted postcard, as opposed to \$.248 to mail each presorted first class envelope.

City Manager Woodruff explained that the supply of envelopes which had been purchased would be exhausted in October and that staff would be asking for Council's direction at that time.

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<p>Council Member Muenzer expressed his pleasure in the fact that staff listened to Council and made considerable budget cuts. He stressed the fact that services could not be cut, however, "frills" could be cut. Mr. Muenzer said that he had confidence in staff's ability to evaluate the personnel and total budget. He stated that he could support the 1.18 millage rate.</p> <p>Council Member Korest said that there were no further areas that he would recommend cutting. He noted that it was important to point out that not one dollar of the Contingency Fund could be spent without the authorization of City Council.</p> <p>Vice Mayor Passidomo reminded Council that the 1.20 millage rate would represent \$6.00 a year to the average taxpayer. As such items as tax equity and planning services are explored, he said, it would benefit the taxpayers. "That \$6.00 a year seems like a good insurance package in order to have resources," said Mr. Passidomo, adding that he expressed his support for the 1.20 millage as recommended by the City Manager.</p> <p>Council Member Herms noted that Council had affected its constituents in a number of different ways and pointed out that there had been overall severe mismanagement. He expressed concern that some Naples residents would experience some drastically high tax increases.</p> <p>Mr. Herms read a letter (Attachment #2) from Naples resident Mr. Richard J. Bauman which urged Council not to increase taxes by more than 10%.</p> <p>There are still some problem areas, said Mr. Herms, including Planning, Zoning, and the Streets Division, but he expressed faith in the new management team and its ability to become more efficient during the coming year. Mr. Herms stated that he would be willing to accept a millage rate of 1.18 because he would be closely monitoring the City's management. He ended by expressing the hope that any savings could go</p>					

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back into the Contingency Fund in order to build up the City's reserves.

RESOLUTION NO. 91-6452

ITEM 2-a

A RESOLUTION ADOPTING TENTATIVE MILLAGE RATES FOR 1991; AND PROVIDING AN EFFECTIVE DATE.

Title read by City Attorney Rynders.

MOTION: To ACCEPT the resolution, setting the millage rate at 1.1800.

Mayor Anderson commented that she had had the opportunity to work with the present City staff for the past three months, and that they had accomplished miracles.

RESOLUTION NO. 91-6453

ITEM 2-b

A RESOLUTION ADOPTING A TENTATIVE BUDGET FOR THE FISCAL YEAR 1991-92; AND PROVIDING AN EFFECTIVE DATE.

Title read by City Attorney Rynders.

City Manager Woodruff announced that the 1.18 rate would be 27.51% greater than the present rollback rate, and said that he would be happy to answer any questions regarding the budget.

MOTION: To APPROVE the resolution as presented.

Barnett					X
Herms		X	X		
Korest					X
Muenzer	X	X			
Passidomo					X
Sullivan		X			
Anderson		X			
(4-3)					

Barnett		X	X		
Herms			X		
Korest	X		X		
Muenzer			X		
Passidomo			X		
Sullivan			X		
Anderson			X		
(7-0)					

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FIRST READINGS OF ORDINANCES:

ORDINANCE NO. 91-

ITEM 3-a

AN ORDINANCE DETERMINING AND FIXING THE 1991 TAX LEVY AND MILLAGE RATE FOR THE PURPOSE OF PROVIDING SUFFICIENT FUNDS FOR THE GENERAL FUND OPERATIONS; AND PROVIDING AN EFFECTIVE DATE. PURPOSE: TO FIX THE 1991 TAX LEVY AND MILLAGE RATE.

Title read by City Attorney Rynders.

MOTION: To APPROVE the ordinance at first reading, setting the millage rate at 1.1800.

ORDINANCE NO. 91-

ITEM 3-b

AN ORDINANCE ADOPTING THE FINAL BUDGET FOR THE FISCAL YEAR 1991-92 AND APPROPRIATING FUNDS FOR OPERATING EXPENSES OF THE CITY OF NAPLES FOR THE GENERAL OPERATION OF THE SEVERAL DEPARTMENTS OF THE CITY, INCLUDING UTILITIES, AND FOR CONTRIBUTING TO THE SINKING OF THE OUTSTANDING BONDS AND OTHER FIXED OBLIGATIONS OF THE CITY AND PROVIDING AN EFFECTIVE DATE. PURPOSE: TO ADOPT THE BUDGET AND APPROPRIATE FUNDS FOR THE FISCAL YEAR 1991-92.

Title read by City Attorney Rynders.

MOTION: To APPROVE the ordinance at first reading.

Mayor Anderson thanked everyone for their attendance, and City Manager Woodruff announced that the next special meeting would be held on September 19th at 5:05 p.m.

Barnett		X	X		
Herns			X		
Korest	X		X		
Muenzer			X		
Passidomo			X		
Sullivan			X		
Anderson			X		
(7-0)					

Barnett	X		X		
Herns		X	X		
Korest			X		
Muenzer			X		
Passidomo			X		
Sullivan			X		
Anderson			X		
(7-0)					

SUPPLEMENTAL ATTENDANCE LIST

Sue B. Smith
Ron Pennington
George Beasley
Jim McGrath

John A. Smith
Nicole Polayse
Fred Tarrant, Jr.
Fern Aitchison

Other interested citizens and visitors.

NEWS MEDIA

Jerry Pugh, Palmer Cablevision
Eric Staats, Naples Daily News

1380 MARLIN DR.

NAPLES, FL 33962

SEPTEMBER 3, 1991

DEAR MR. HERMS:

AS A YEAR-ROUND RESIDENT, AS A YEAR-ROUND VOTER AND AS A YEAR-ROUND TAXPAYER, I URGE YOU AND YOUR FELLOW COUNCILMEMBERS TO DRASTICALLY REDUCE THE CITY BUDGET PROPOSALS TO AN INCREASE OF NOT MORE THAN 10% OVER THE CURRENT FISCAL YEAR. THE CURRENT PROPOSED BUDGET, IF PASSED, WILL INCREASE OUR TAXES TO THE CITY BY \$188 OR 68%. EVEN WITH A NO CHANGE BUDGET, OUR TAXES WILL INCREASE BY \$65 OR 24%.

I BELIEVE THAT IN SPITE OF PAST MISTAKES ALLOWED TO GO UNCORRECTED, PROPERTY OWNERS SHOULD NOT BE EXPECTED TO MAKE UP THE SHORTFALL IN ONE YEAR. THE SHORTFALL CAN & SHOULD BE AMORTIZED OVER THE NEXT 3 TO 5 YEARS. OUR INCOMES WILL NOT INCREASE BY 68% OR EVEN 24%. PLEASE CONSIDER A ROLL BACK OF THE PROPOSED MILLAGE TO 1.18 WHICH WILL PROVIDE A 10% INCREASE.

IT IS TIME FOR CITY COUNCIL TO CONSIDER A "SURVIVAL BUDGET" WHICH WOULD CONTINUE ESSENTIAL SERVICES AT MINIMUM LEVELS. ALSO IT IS TIME TO DEVELOP SUBSEQUENT BUDGETS VIA THE ZERO BASE BUDGET PROCESS. THE CITY MANAGER SHOULD BE DIRECTED TO ESTABLISH THIS PROCESS FOR ENSUING BUDGET DISCUSSIONS. THIS PROCESS CLEARLY REQUIRES FULL JUSTIFICATION IN DETAIL OF EACH DOLLAR REQUESTED OR EACH EMPLOYEE REQUIRED.

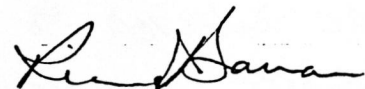
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I am writing a similar letter to Mr. Saunders & hope that he can influence the County Commissioners to react in the same way that I hope you will.

It is gratifying in some respects to see our property appraised value increase by 35%. At the same time, it is not gratifying to see our overall tax liability raise 39.41% or \$1,089 over the present year.

I have been involved for almost 25 years with the State of Ohio Budget process. I served as Chief Fiscal Officer for the Adjutant General Department. Somehow we always managed to continue even with 10%-15% mandated budget reductions. I believe the City of Naples can do like wise.

MR. HERMS - PLEASE DO ALL YOU CAN. PLEASE DON'T ALLOW THE BUDGET REQUESTS TO SPIRAL UPWARD AT A RATE FAR GREATER THAN INFLATION DICTATES. I wish I could deliver these remarks personally, but we will be out-of-town until September 19. PLEASE feel free to use or quote any of my remarks. THANK YOU.



RICHARD J. BAUMAN
COLONEL (RET)
U.S. Army Finance Corps.

UNLISTED Phone No. 774-1751